

Department of Public Health
and Human Services

FAMILY MEDICAID

Section:

COVERAGE GROUPS

Subject:

► Transitional Medicaid (TMA)

DRAFT

Supersedes:

FMA 201-10, 01/01/03

References:

42 CFR 435.112; ARM 37.82.101, .701; P.L. 100-485; and P.L. 103-194

GENERAL RULE--Transitional Medicaid (TMA) may be provided to families for up to twelve months following closure of non-medically needy Family Medicaid (MA-FM), when closure was due to a qualifying event. TMA is divided into two, six-month time periods. There is no resource limit for TMA coverage, and no income limit for the 1st 6-month period. Income cannot exceed 185% of poverty (FMA 006) in the 2nd 6-month period.

NOTE: TMA coverage is not available to any family who fraudulently received MA-FM during the six months prior to the beginning of the TMA period.

QUALIFYING FAMILY

A qualifying family includes those individuals whose needs and income were included in the assistance unit in the determination of MA-FM eligibility at the time the case closed/became medically needy.

► QUALIFYING CHILD

A qualifying child is one who:

1. Is under age 19; and
2. Meets citizenship, U.S. National or qualified alien status and:
 - a. Was included in the MA-FM assistance unit at the time the case became medically needy; or
 - b. Is a dependent child receiving Supplemental Security Income (SSI).

FIRST SIX-MONTH PERIOD

QUALIFYING EVENT

To be eligible for the first six-month time period, the family must have:

1. Received non-medically needy MA-FM in Montana during three of the previous six months prior to the case closing/becoming medically needy and case closed/became medically needy due to new or increased earned income of the assistance unit; AND
2. At least one qualifying child remains in the household.

NOTE: To determine if the family received non-medically needy MA-FM for 3 of the previous 6 months, check the FM MED NEEDY field on the MAIH screen.

If there are 3 N's listed in the 6 months immediately preceding MA-FM closure (including the month of closure), the family has met the 3 of 6-month requirement.

If there aren't 3 N's listed, the family is not eligible for MA-TR. Check eligibility for other coverage (e.g., PC, PS, etc.).

Upon MA-FM closing/becoming medically needy due to a qualifying event, notify the family via system notice M605 of TMA eligibility.

The first six-month time period of TMA coverage continues as long as:

1. There is a qualifying child in the home,
2. The family maintains Montana residency, and
- ▶ 3. The parent/specified caretaker relative cooperates with:
 - a. Program Compliance Medicaid reviews and
 - b. TPL (HIPPS, trauma questionnaires, providing health insurance information and insurance questionnaires).

▶ If the parent/specified caretaker relative fails to cooperate with program compliance or TPL, their SEPA participation code should be changed to 'DQ' until such time as they do cooperate. The children's Medicaid is not closed due to the parent/specified caretaker relative's failure to cooperate.

EXAMPLES:
(Qualifying Event)

1. A family starts receiving unearned income that causes their MA-FM case to become medically needy. As this was the result of new or increased unearned income, this is not a qualifying event and the family is not eligible for TMA.
2. Household consists of mom, mom's two children and mom's boyfriend (not father of the children). The Assistance Unit (AU) does not include the boyfriend. Mom and boyfriend get married; his income causes mom's MA-FM case to become medically needy. There is no TMA eligibility for any household member as closure was not due to a qualifying event. Closure was due to adding the boyfriend (now the spouse) and subsequently counting his income. Test eligibility for children under other programs.

3. Assistance unit consists of mom and her child. The absent father returns to the home. When he is added to the case, his income causes closure. No household member is eligible for TMA. Closure is not due to a qualifying event. Closure is due to adding a person (the father) and subsequently counting his income. The father was not a part of the assistance unit; therefore the assistance unit's income did not increase.
4. Dad and two children have received MA-FM for 5 months. Dad gets a raise and total countable income makes the case medically needy, dad's coverage ends. Because there was a qualifying event (increase in earned income), all family members are eligible for TMA instead of only the children being eligible for medically needy coverage. The MA-FM case is closed and TMA is opened.

NOTE: If the case had been opened as medically needy, an increase in dad's income would not be a qualifying event because he would not have been a member of the assistance unit (SEPA code 'SR'). The increase in income would result in an increase in the incurment.

5. Household consists of mom, dad and their daughter and they have been receiving non-medically needy MA-FM for 7 months. Dad is 'DQ' on SEPA because he cannot prove citizenship/alien status. Dad gets a job and his earned income causes the MA-FM case to become medically needy. Because dad is a required filing unit member who would have been included in the assistance unit if citizenship/alien status could be verified, mom and their daughter are TMA eligible, but dad is not.

SECOND SIX-MONTH PERIOD

Transitional Medicaid coverage continues as long as:

1. There is a qualifying child in the home;
2. The family maintains Montana residency;
3. The parent/specified caretaker relative cooperates with:
 - a. Program Compliance Medicaid reviews and
 - b. TPL (HIPPS, trauma questionnaires, providing health insurance information and insurance questionnaires).



If the parent/specified caretaker relative fails to cooperate with program compliance or TPL, their SEPA participation code should be changed to 'DQ' until such time as they do cooperate. The children's Medicaid is not closed due to the parent/specified caretaker relative's failure to cooperate.

4. The employment continues or lost employment but had good cause;

NOTE: If income decreases significantly during the TMA eligibility period, it is good customer service to notify the family of potential MA-FM coverage. This could allow for an additional TMA period should income increase again.

5. Income limits are not exceeded prospectively (gross earnings less dependent care, plus unearned income do not exceed 185%); and
6. Reporting requirements are met.

REPORTING REQUIREMENTS

In addition to ten-day change reporting requirements, families must provide "quarterly" reports (form HCS-431), or all information necessary to determine continued eligibility.

Quarterly reports contain notice information and are generated by the system. The system will also generate a report to counties so they are aware of which families receive the reports and notices.

Reports or necessary information must be submitted by the 21st day of the 4th, 7th and 10th months.

NOTE: Failure to submit a completed report, or information necessary to determine ongoing eligibility, by the 21st of the 4th month will result in closure effective the end of the 6th month. However, if the information/report is received prior to the effective date of closure (end of 6th month), TMA eligibility can continue, if eligible. **TMA cannot be closed during the first 6-month period for failure to quarterly report.** Failure to submit a completed report, or information necessary to determine continued eligibility, by the 21st of the 7th or 10th months will result in closure effective the end of the 8th or 11th months. Timely notice must be sent.

NOTE: Do not close TMA if the family fails to submit the report, but has provided all of the necessary information needed to determine continued.

Families must submit the report (or necessary information) that covers each of the three preceding months and verify the following for each month:

1. Family's gross monthly earned and unearned income; and
2. Child care expenses necessary for the parent/specified caretaker relative's employment. The allowable amount of dependent care is the portion the parent/specified caretaker relative is obligated to pay.

PROCESSING QUARTERLY REPORTS

Upon receipt of a completed, timely quarterly report (one that has been received by the 21st of the appropriate month):

Elig. Case Manager

1. Determine whether employment continued during each of the preceding three months or employment was lost but good cause existed.
 - a. If no, terminate TMA. Evaluate for other Medicaid coverage.
 - b. If yes, continue to Step #2.

NOTE: Failure to file the quarterly report or necessary information by the 21st day of the 4th month will cause TMA closure effective the end of the first six-month period. However, if the information is received prior to the effective date of closure (end of 6th month), eligibility can continue, if the family remains eligible. Set a system alert for future closure date.

NOTE: If, in the second 6-month period, the quarterly report is received late, but prior to the effective date of closure, revert TMA to open and process the report. However, if the quarterly report (or necessary information) isn't received until after the effective date of closure, a new application will be required to determine eligibility for another Medicaid program.

2. Total the family's gross earned income, minus total dependent care costs (liability) and add unearned income for the reporting period. Divide by three and compare to the Poverty Level Standard (185%) for the household size (FMA 006). Continuing TMA eligibility is determined manually, not on TEAMS.

NOTE: Gross family income -- Average countable earned and unearned income of all family members living in the home (including parents who return to the home after a family becomes ineligible for MA-FM) for the period covered by report.

- a. If the income is equal to or less than the Poverty Level Standard, continue TMA.
- b. If income exceeds the standard, terminate TMA, giving timely notice.

NOTE: If income standards are exceeded during the first 6-month period, set an alert to close at the end of the 6th month, if income still exceeds the limit at that time.

- 3. Document continuing eligibility or reason for closure on system case notes. Verification used to make the eligibility determination must also be documented. **Continuing eligibility must be determined manually.**

CHANGE IN HOUSEHOLD COMPOSITION

MEMBER LEAVES Terminate this person's Transitional Medicaid.



NOTE: If the TMA household contains two parents, and one parent leaves the household with a qualifying child, evaluate for continued TMA eligibility for both households.

Example: The household contains mom, dad, and two qualifying children. Dad leaves with one child.

Evaluate both households for continued TMA eligibility. If both households continue to meet requirements needed for either six-month period, each would continue to be TMA-eligible. Set an alert to close the 'new' TMA case at the end of the original 12-month eligibility period.

NEW MEMBER/ NEWBORN

Individuals who return to or enter the home during the TMA period will be added to TMA if their needs and income would have been taken into account in determining MA-FM eligibility.

These include:

1. A child born or adopted after MA-FM benefits are terminated but who would have been included in the assistance unit had they been born/adopted prior to closure;
2. A child who returns home whose needs would have been included in the assistance unit had they returned prior to closure;
3. A natural/adoptive/stepparent who returns to/enters the home.

Example: TMA household consists of mom and two qualifying children. The father returns home. His income causes total household income to exceed the allowable limit.

If he returns during the first six-month period:

Add his needs to TMA coverage and set a system alert to close case at end of sixth month, if income will still exceed the TMA limit.

If he returns during the second six-month period:

Add his needs to TMA and close case, giving timely and adequate notice.

AUTO CLOSURE

TEAMS will automatically close the TMA case effective the end of month 12 and send closure notice M620.

NOTE: It is very important that all cases be in the current month so that this process works correctly.

An ex parte review **must** be completed prior to the effective date of closure. The eligibility case manager will receive a TEAMS alert (MA-TR CLOSED - REVIEW FOR OTHER PROGRAM) to remind them of this requirement.

TERMINATION OF BENEFITS

If Transitional Medicaid benefits are terminated for either an individual or family, provide timely and adequate notice.



When benefits end due to time limits, the closure notice will notify assistance unit of possible coverage under another program. If the eligibility case manager has enough information to open another Medicaid coverage group, the coverage should be opened without being requested.

If more information is needed, the eligibility case manager must notify the family of what is needed and when it is due. If the information is provided prior to the effective date of closure, a new application is not required to open additional coverage.

If the required information isn't provided until after the effective date of closure, a new application **must** be completed.

EXCEPTION: Do not open Medically Needy coverage unless it is requested.

EXAMPLE: TMA eligibility for the Snow family ends effective 9-30-05. The eligibility case manager sends timely notice of closure, other possible coverage and a list of needed information on 9-4-05. On 9-15-05, the family provides the requested information. The eligibility case manager tests for coverage and opens the appropriate program(s) if eligible.

If the Snow's hadn't provided the requested information until 10-2-05, the eligibility case manager would have to require a new application.

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